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DORR  
(D. Romani)

# SECURITY HOME BANK

402-642-5246

147 CENTER AVENUE

402-642-5387 FAX

MEMBER

P.O. BOX 67

F.D.I.C.

MALMO, NE

68040

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September 19, 2005

FDIC-San Francisco Regional Office  
Director John F. Carter  
25 Jesse Street at Ecker Square, Suite 2300  
San Francisco, CA 94105

Dear Director Carter:

This letter is in regard to the Wal-Mart application for FDIC insurance for its industrial loan company in (ILC) Utah. The Banking industry has traditionally opposed the mixing of banking and commerce; hence, I encourage your opposition to this application. Congress stated its opposition to the mixing of banking and commerce when it enacted the Gram-Leach-Bliley Act. Mixing banking and commerce represents bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest.

While the Wal-Mart application in Utah does not seek broad "banking" powers, once a charter is granted, expanded powers, including nationwide branching, could be sought. The vast resources brought to the table by Wal-Mart would have an adverse impact on all community banks, in much the same manner that Wal-Mart's presence has had on other retail establishments in the communities in which it has located. A nationwide banking operation by Wal-Mart would pose a significant systemic risk. The potential size of a Wal-Mart banking operation would represent an ill-advised and unprecedented concentration of economic power. Your opposition to this application will not only benefit community banks but will also benefit small town communities throughout our nation and keep there main streets a vital part of there economic existence. Thank you.

Sincerely,



Les Kotera,  
President